



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0169	<b>Title:</b>	Clarify state payment of tuition for homeless students
<b>Primary Sponsor:</b>	Hamilton, Robin	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$119,169	\$122,744	\$126,426	\$130,219
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>(\$119,169)</u>	<u>(\$122,744)</u>	<u>(\$126,426)</u>	<u>(\$130,219)</u>

**Description of fiscal impact:** HB 169 requires the state pay tuition for "homeless" pupils placed by the state or courts in shelter care. Pupils placed in shelter care are considered "homeless" under the federal definition. Under current law, tuition cannot be charged for homeless pupils. HB 169 proposes that the state pay tuition for homeless pupils in shelter care. The estimated cost is \$126,696 in FY 2010 and \$130,497 in FY 2011.

### FISCAL ANALYSIS

#### Assumptions:

- The effective date of the bill will affect tuition for attendance beginning in school year 2008-09, which will be paid by the state in FY 2010.
- There are nine shelter care facilities that enroll students in K-12 schools. The maximum number of children each facility is licensed to house and the estimated typical number of children who usually are placed in the home and who are enrolled in public schools from the facility are:

<b>Shelter Care Facility</b>	<b>Location</b>	<b>Maximum # of children this home is licensed to house</b>	<b># of children typically in home and enrolled in school</b>
<b>Discovery House</b>	Anaconda	8	2
<b>Great Falls Receiving Home</b>	Great Falls	14	10
<b>Margaret Stuart Shelter</b>	Helena	11	8
<b>Ted Lechner Home</b>	Billings	15	10
<b>Watson Home</b>	Missoula	18	10
<b>Intermountain Providence Home</b>	Bigfork	8	8
<b>Bitterroot Youth Home</b>	Hamilton	7	7
<b>Flathead Youth Shelter</b>	Kalispell	8	7
<b>Shirley Miller Home</b>	Missoula	12	7
<b>TOTAL</b>		<b>101</b>	<b>69</b>

3. Tuition payments will be made to the school districts where the students enroll.
4. Homeless pupils served by these homes are the only pupils for whom tuition is affected by this bill.
5. Whether or not this bill passes concerning payment of tuition, the pupils will be admitted and served by the local schools.
6. Approximately 10% of all students in Montana schools need special education services. Of the 69 students from the shelter care homes, seven students (10%) will be students with disabilities and 62 students (90%) will not have disabilities.
7. Regular education tuition is limited to 20% of the per-ANB entitlement under 20-9-308, MCA. Maximum tuition for school year 2008-2009 is \$943.20 for elementary age students and \$1,207.40 for middle and high school students. There will be an indeterminable mix of elementary-aged, middle school-aged, and high school-aged students enrolled from these homes in the schools during a school year. The average tuition for regular education is \$1,075.30.
8. For regular education students with higher than average education service costs, state-paid tuition is limited to \$2,500 per year per student under 20-5-323(3), MCA. However, students in these shelter care situations normally do not fall into this category.
9. State-paid tuition for pupils with disabilities is not limited and will be unique to each student, but is estimated to cost an average of \$7500 per year per pupil.
10. If HB 169 passes with the effective date on passage and approval, the 2008-09 school year attendance of 69, the state's estimated cost of tuition paid during FY 2010 would be:
- 11.

<b># of Students</b>	<b>Tuition rate</b>	<b>Amount</b>
62	\$1,075.30 per student	\$66,669
7	\$7,500 special education services	<u>\$52,500</u>
<b>Total</b>		<b>\$119,169</b>

12. The cost of special education services and the per-ANB entitlement are projected to increase by 3% per year. The total estimated cost is:

<b><u>Year of Attendance</u></b>	<b><u>Payment Year</u></b>	<b><u>Amount</u></b>
<b>2008-2009</b>	FY 2010	\$119,169
<b>2009-2010</b>	FY 2011	\$122,744
<b>2010-2011</b>	FY 2012	\$126,426
<b>2011-2012</b>	FY 2013	\$130,219

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Local Assistance (Tuition)	\$119,169	\$122,744	\$126,426	\$130,219
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$119,169	\$122,744	\$126,426	\$130,219
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$119,169)	(\$122,744)	(\$126,426)	(\$130,219)

**Effect on County or Other Local Revenues or Expenditures:**

1. The elementary and high school districts would receive state tuition payments for shelter care children who are considered homeless.

**Technical Notes:**

1. The state pays tuition under 20-5-324, MCA, the year after the year of attendance. The bill (upon passage and approval) applies retroactively for attendance in the 2008-09 school year. As a result, the first state payments will be made during FY 2010.

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*